

The Solicitors' Journal

VOL. LXXXVIII.

Saturday, August 5, 1944.

No. 32

Current Topics : Absolute Offences—	Income Tax and Subscriptions to	Obituary..	273
Validation of War-Time Leases —	Charities	Parliamentary News ..	273
Private Enterprise and Housing—	A Conveyancer's Diary	Notes of Cases—	
Subsidy for Private Enterprise—The	Landlord and Tenant Notebook ..	Macara, James, Ltd. v. Barclay ..	274
Public Schools—Training for Civil	Our County Court Letter	Reliance Permanent Building Society,	
Life—The Bank of England—Inter-	Books Received	The v. Harwood Stamper	273
ruptions from the Bench—Recent	To-day and Yesterday	Safford v. Safford	273
Decisions	Points in Practice	Notes and News ..	274
		War Legislation ..	274

Editorial, Publishing and Advertisement Offices : 22, Chancery Lane, London, W.C.2. Telephone : Holborn 1403.

SUBSCRIPTIONS : Orders may be sent to any newsagent in town or country, or, if preferred, direct to the above address.

Annual Subscription : £3, post free, payable yearly, half-yearly, or quarterly, in advance. Single Copy : 1s. 4d., post free.

ADVERTISEMENTS : Advertisements must be received not later than first post Tuesday, and be addressed to The Manager at the above address.

CONTRIBUTIONS : Contributions are cordially invited, and must be accompanied by the name and address of the author (not necessarily for publication) and be addressed to The Editor at the above address.

Current Topics.

Absolute Offences.

BROADCASTING is probably the best medium for spreading that knowledge of the law which every citizen is presumed to have. The homely talks by the late Professor JOHN HILTON as well as by Mr. DOUGLAS HOUGHTON had results of incalculable benefit in acquainting "the little man" with his complicated rights and duties in the simplest possible language. It was therefore rather a pity that the talk on "Absolute Offences" by "A Criminal Lawyer" on 17th July from 1.15 p.m. to 1.30 p.m. was given at a time when a large part of the population is not in the habit of listening. It was not quite in the same vein as the late Professor HILTON's talks, and being somewhat more technical, had less popular appeal, but it was none the less important. The speaker laid down three basic principles. The first was that ignorance of the law afforded no defence and, speaking of the multitudinous war-time orders, he pointed out that they were necessarily numerous and necessarily complicated in order to prevent evasion. If, however, as the speaker suggested, it is ridiculous to expect the average citizen to know or understand the numerous emergency orders, it is equally ridiculous to expect him to know and understand the law of England, as it was before the war, and still is, extremely difficult at times for experienced lawyers to understand, even with the aid of large libraries. The next principle referred to by the speaker was that a principal might be guilty of an offence committed by his agent, even if he did not order the act, or did not know that it was illegal, or even forbade it. He was careful to say that "this does not apply so easily to offences which involve a specific criminal intent." In fact, it does not apply at all to such offences, but only to absolute offences. The case of offences by licensees of public-houses on whom certain absolute duties are enforced by criminal sanctions in the interests of public safety were cited by the speaker and are very good examples of necessary controls. Another good example which might have been cited was the case of *Griffiths v. Studebaker* (1928), 87 J.P. 199, where a company was held liable for contravening a regulation prohibiting a certain motoring practice, although its drivers had been specifically instructed to observe the regulations. Indeed, all absolute offences (and every criminal lawyer is aware that there are an enormous number outside the emergency regulations) are merely controls necessarily imposed in the public interest. The third of the speaker's principles was the definition of an absolute offence as one for which proof of a guilty mind was not essential. He complained that under reg. 91 of the Defence (General) Regulations, 1939, "our modern legislation has stooped so low as to alter what was, until the war, one of the most fundamental of our legal principles . . . that no man is guilty of an offence until he has been proved guilty." "Stooped so low" is an extraordinary phrase to use in this connection, especially as every lawyer knows that there are hundreds of pre-war "absolute offences" of which defendants are not given the chance to prove their innocence, provided that commission of the prohibited act be proved. Regulation 91 deals with company directors, and we would suggest that there are objects more worthy of the speaker's compassion than persecuted company directors. "We are," the speaker rightly concluded, "a free and freedom loving people, and we do not take kindly to restriction and control one moment longer than we are satisfied that it is necessary for the national safety." We should be inclined to go further and say that controls have always been necessary to prevent people from being free to sell adulterated food or drink, or driving defective motor cars on the road, or doing the thousand and one other things which may hurt their fellow citizens. In a society which is becoming more complicated every day, one must expect old controls to go and new controls to be introduced from time to time, and the question whether an old control is to go or a new one to be introduced depends on what is the particular public interest which it is intended to serve.

Validation of War-Time Leases.

THE second reading of the Validation of War-Time Leases Bill in the Commons on 25th July produced a number of interesting suggestions. The ATTORNEY-GENERAL announced that the Government was putting down a few amendments, mostly of a drafting character, to meet points to which solicitors and others had drawn attention. It was also intended expressly to provide that the Bill should apply to the Crown. Mr. MOELWYN HUGHES summed up the Bill well in these words : "Tenancies expressed to be for 'the duration' have been held by the courts to be invalid, that is to say, they have been held to be agreements or tenancies of such kind that neither the one side nor the other can come to the courts to enforce them, and the Government have decided that they shall be validated by making them tenancies for ten years, subject to determination by a month's notice on either side after the end of the war, that date to be fixed by an Order in Council." He suggested that there should be an Annual Law Bill to deal with deficiencies in the law disclosed by decided cases. He also thought that the laws of evidence should be relaxed in order to render admissible in construing documents the declared intentions of the parties. Dr. RUSSELL THOMAS thought that the period of ten years was too long and suggested seven years. Sir JOHN MELLOR considered it unfortunate that provision should be made "to enable those people who were smart enough to give notice to terminate agreements before 13th June to get away with it," and announced that he was putting down an amendment to deal with this. He very pertinently asked for the reason of the delay between the Court of Appeal's decision in *Lace v. Chantler* in February and the Government's announcement on 13th June that they would legislate. Mr. SILVERMAN thought that five years would be sufficient, and suggested that a savings clause might be inserted to cover hardship cases where owner-occupiers had reasonably considered themselves compelled to let their houses for the duration and circumstances had changed, so as to give the court a discretion in these cases. The ATTORNEY-GENERAL promised to give careful consideration to all the points raised. Sir JOHN MELLOR's suggestion is one that will be received with a considerable measure of agreement by solicitors who have acted in cases in the courts following on the Court of Appeal's decision. There were a number of cases in which not only were leases "for the duration" declared invalid, but purported increases of rent, made on the basis of such leases being equivalent to weekly tenancies, were held valid, and in some cases judgments were given for arrears of rent which, when the Bill is passed, will no longer be recoverable. It ought not to be beyond the power of draftsmen to cure these injustices without interfering with rights properly acquired by third parties under the old law, and it is unfortunate that in committee on 27th July an attempt to put the matter right was rejected.

Private Enterprise and Housing.

A REPORT of the Central Housing Advisory Committee on the part to be played by private enterprise in post-war housing ("Private Enterprise Housing," H.M. Stationery Office, York House, Kingsway, W.C.2, price 1s., post free 1s. 2d.), prepared by a sub-committee on private enterprise housing under the chairmanship of Sir FELIX POLE, was published by the Ministry of Health on 13th July. Evidence was taken from a large number of bodies and persons representative of the building industry, from the National Federation of Housing Associations, the Building Societies Association and other bodies. The sub-committee set up a special panel to consider how best to control the standard of construction of houses built by private enterprise, and a report by this panel is appended to the main report. The committee conclude that "given favourable conditions, the housing needs of a large section of the people of this country can be met without assistance from public funds. The conditions required include cheap money, a plentiful supply of labour and materials, building costs in close correspondence with the cost of

living, and stability of values. Correlation of building costs with the cost of living is stated to be an essential condition of a high output by private enterprise. The report recommends that "if private enterprise is to maintain its position in the post-war period, it must produce a considerably larger proportion of houses for letting. The participation of the building societies and similar bodies is essential if this is to be achieved." The committee recommend that "private enterprise should be encouraged to participate, although necessarily on a limited scale, in the short-term building programme, in order that building organisations may be brought to a state of readiness for the long-term programme." While the short-term programme is being carried out, there will be an obvious danger of the overloading of the building industry, and the forcing up of prices, and the committee assume that in order to prevent this, steps will be taken "to regulate the amount of building work put in hand at any one time, both in the country as a whole and in particular areas, and to control the prices of building materials." They assume that in regulating the amount of building work, "the highest priority compatible with other essential national amenities will be allotted to house-building, and that no building of a luxury type will be permitted until the most urgent housing needs have been met." Steps should be taken to ensure that an undue share of labour and materials is not absorbed in building very large houses, "and we should like to see priority accorded to houses intended for letting."

Subsidy for Private Enterprise.

The committee consider that if private enterprise is to be able to operate in the transitional period while the short-term building programme is being carried out, a subsidy will be essential. They recommend that when private enterprise is meeting the same needs as local authorities, it should be eligible for the same Exchequer subsidy. The granting of subsidy to private enterprise must, they state, be subject to some measure of control of selling prices or rents, and of standards of size and construction. Finally, they consider that a subsidy to private enterprise, to be effective, must be simple and readily understood. The committee hold that the houses earning the subsidy should not fall below the general standard of the houses built by local authorities. The report further recommends that "local authorities should make free use of their powers to assist housing associations financially." Other recommendations include: the raising of the limit of value of houses for which advances may be made under the Small Dwellings Acquisition Acts and the Housing Act; the simplification of the procedure for obtaining decisions on housing proposals by private builders; the granting of a statutory right of appeal to the Minister of Health against the local authorities' requirements in the matter of private street works; and permission to building societies to accept collateral security from persons to whom advances are made with a guarantee by the Minister of Health and the local authority.

The Public Schools.

THE basis of the recommendations in the report by the Fleming Committee on public schools and the educational system ("The Public Schools and the General Educational System," H.M. Stationery Office, 1s. 6d., published on 26th July) is to be found in their diagnosis that the public schools represent a "division in the educational system" called into being "to meet the demands of a society already deeply divided." The committee's conclusion that "nothing could have been better devised to perpetuate . . . hard-drawn class distinctions within the society of the nation" than this division in the educational system is both realistic and momentous. Moreover, it is in no way an attack on the public school system, which during the last hundred years has "preserved for English education a belief in the value of humane studies, in the need for a training in responsibility, and in the essential part to be played by religion in education." To these findings members of both branches of the legal profession will lend their support. It was as obvious as in any other sphere of life before the war that a public school education was in itself frequently a passport to economic advantages where other more meritorious considerations failed. At the same time, it was almost as obvious that the public school system afforded great advantages in the study of the classics, a branch of education which is of incalculable value in creating an understanding of the true place of law in human life. It is therefore pleasant to read in the report that if the recommendations of the committee for the integration of the two systems into one are accepted, "they afford good prospects of closing the gap which still separates the public schools from the rest of the educational system." The report divides the public schools into two groups, those which are independent and those which are State-aided. There would therefore be two schemes, A and B, the former applying to State-aided schools which would be open to all irrespective of ability to pay fees, and the latter to the independent schools, which would make available one-quarter of their places. The scheme of admission to the latter schools "would be reviewed every five years with a view to the progressive application of the principle that schools should be equally accessible to all pupils regardless of means." The report has taken two years to prepare, and as commonly occurs when issues of a highly controversial nature are

involved, the committee sat under the chairmanship of a great lawyer, in this case LORD FLEMING, who is a Senator of the College of Justice in Scotland.

Training for Civil Life.

MORE urgent than any other aspect of post-war education is that relating to the vocational training for post-war employment and the education in general to be given to Services men and women prior to their release from the Services. The Law Society has made provision for the re-education in legal studies of solicitors and clerks returning from the Services, and has also rendered great service in providing legal correspondence courses for members of the Forces generally. The latest official statement on the subject was evoked by Mr. MOELWYN HUGHES, K.C., in a question to the Secretary of State for War in the House of Commons on 25th July, when he asked if the Secretary was satisfied that the variety of training provided under the scheme was sufficient to provide preparation for all the different courses that personnel will follow. In the course of a written reply it was stated that an account of the Government's proposals to provide training as part of the resettlement scheme was made in reply to a question on 6th April. For a long period, careful consideration had been given to the question of providing facilities for education and training inside the Army after the defeat of Germany, and to the need for co-ordinating the Army education scheme as closely as possible with the training plans. The recommendations made by this committee had been considered by the Army Council. The Army Council had given authority for active preparations to be started and had arranged for effective co-operation with the other services, the Ministry of Labour and National Service, the Board of Education, and the Scottish Department of Education. The general lines of the scheme now under consideration were such that in each unit there should be available facilities for officers, other ranks and auxiliaries to participate each week in some form of education for a definite number of hours in working or training time. The educational provision was being planned, with expert advice made available by the Board of Education, to include the greatest possible degree of variety and a large measure of practical work. The courses and practical occupations provided would in the main be general, but the subjects and activities more directly connected with vocations and trades would find a place, as well as those relating to life in society generally. Plans to provide, on a selective basis and under special conditions, a relatively small number of courses in preparation for professional and trade qualifications were being worked out, but the extent and nature of this provision would necessarily depend upon the circumstances that existed at the time, and upon the precise arrangements that were made for the education and training of men and women on their release from the Army. Preparations for the implementation of this scheme were proceeding as rapidly as could be expected during a period in which the strenuous prosecution of the war was the paramount consideration. The desire for full information about employment conditions, facilities for education and training and vocational guidance had not been overlooked. A feature of the war-time Army educational scheme had been its close collaboration with the universities, the adult education organisations and civilian education generally. Active consultations were taking place with the Central Advisory Council for Adult Education in His Majesty's Forces in order to ensure that the co-operation which had been so fruitful in the past should continue during the interim period following an armistice.

The Bank of England.

THE 250th birthday of the Bank of England took place on 27th July. In 1694, in return for a permanent loan of the then vast sum of £1,200,000 to a Government at war a number of promoters of a private banking enterprise situated in one room in Grocers' Hall gained a temporary monopoly of joint-stock banking and an indefinite right of note issue. In the early part of the eighteenth century the Bank again and again gave practical support to the Government in time of crisis. In 1781 it had become, in the words of LORD NORTH, "part of the constitution." In London in the latter part of the eighteenth century Bank of England notes became more and more the official currency, and the Bank Charter Act, 1845, which halted the increasing number of note-issuing banks, gave both implicit and express recognition to the unique place which the Bank had secured for itself in the economic system. Subsequent statutes of 1914, 1928 and 1939 relating to currency and bank-notes gave further recognition, if that was needed, to the unique position of the issuing department of the Bank in relation to the currency of the country. To celebrate the occasion of the Bank's 250th birthday the Cambridge University Press has published a history of the Bank by Sir JOHN CLAPHAM, in two volumes, which trace in detail the rise of a private banking adventure to the position of a bankers' bank, and one so strictly controlled by Act of Parliament and in such regular and frequent consultation with the Treasury that it might well be regarded as a State Bank.

Interruptions from the Bench.

THE silent judge, or at least the judge who rarely intervenes in the trial until his turn arrives to give judgment or to sum up, is rightly popular with advocates. His opposite, the garrulous

judge, can seriously interfere with the conduct of a case, lengthen it unduly, and even at times thwart the ends of justice. This is not to say that a judge may never properly intervene in the conduct of a case. One of the most annoying types of interference from the point of view of the advocate occurs when the judge attempts to take the examination or cross-examination of a witness out of his hands. Again, it must be emphasised that there are occasions when this is justifiable. The latest volume of the Criminal Appeal Cases contains an instance of bad interference which it is to be hoped will carefully be noted up by judges and magistrates who are anxious to discharge their public duty in a proper manner (*R. v. Gilson and Cohen* (1944), 29 Cr. App. Rep. 174). In that case, to quote counsel for the appellant: "On only two occasions had defending counsel been able to ask ten consecutive questions without interruption from the bench. In the examination-in-chief of Cohen, her counsel asked ninety-nine questions, but the judge asked seventy-nine, and when the appellant Gilson gave evidence in chief her counsel asked fifty-one questions, but the judge asked fifty-seven." The comment of WROTTESELEY, J., in the Court of Criminal Appeal was to quote an extract from *R. v. Cain* (1936), 25 Cr. App. Rep. 204: "There is no reason why the judge should not from time to time interpose such questions as seem to him fair and proper. It was, however, undesirable in this case that . . . the judge should proceed, without giving much opportunity to counsel for the defence to interpose, and long before the time had arrived for cross-examination, to cross-examine Chatt with some severity . . . It is obviously undesirable that the examination by his counsel of a witness who is himself accused should be constantly interrupted by cross-examination from the bench." WROTTESELEY, J., added: "If a judge finds it necessary to intervene in the course of the examination-in-chief with questions which may seem to the jury to suggest that the evidence of the witness, although given on oath, is not to be believed, it is also necessary that the judge should remind the jury that the question of believing or not believing any particular witness is, like all other matters of fact in a criminal trial, a question for them and not for him." In *Cain's* case it was observed by the court that it was quite right, "so long as counsel for the defence had no objection," that the judge should put to the defendant when giving evidence the various allegations of the witnesses for the prosecution, in order that he might deal with them. So long as they were put colourlessly, no one could object." Advocates have the right to object to undue interruption by the judge, and, indeed, it is their duty in the public interest to uphold the right of fair trial.

Recent Decisions.

In *Kinder v. Camberwell Corporation*, on 20th July (*The Times*, 21st July), the LORD CHIEF JUSTICE held that premises used by the defendants for refuse disposal were a factory within s. 151 of the Factories Act, 1937, where containers on the premises were used for compressing paper into bales by means of levers and ratchets, and that the lever was a dangerous part of the machinery.

In *re Norgate, deceased*, on 20th July (*The Times*, 21st July), UTHWATT, J., held that a gift in a will of a house to be used as a home of rest for vegetarians, teetotallers, pacifists and conscientious objectors was not made with a charitable object, and it therefore failed.

In *Hutter v. Hutter*, on 26th July (*The Times*, 27th July), PILCHER, J., held that he was not satisfied that in the *Salvesen* case [1927] A.C. 641, LORD PHILLIMORE intended to lay down any general proposition which would have the effect of ousting the jurisdiction of the English court to entertain a nullity suit where the parties although resident, were not domiciled in the jurisdiction, more particularly if the ceremony had been celebrated in England. The authorities made it clear that the English courts had not regarded the court of the domicile of the parties as having exclusive competence to pronounce on the validity of a marriage. His lordship therefore held, in a nullity suit on the ground of wilful refusal to consummate the marriage, where the petitioner was domiciled in one of the United States of America, that he had jurisdiction to try the case, and granted a decree nisi.

In *Barclays Bank, Ltd., v. Attorney-General*, on 27th July (*The Times*, 28th July), the House of Lords (THE LORD CHANCELLOR, LORD THANKERTON, LORD MACMILLAN, LORD WRIGHT and LORD SIMONDS) held that where a deceased person had assigned two policies of assurance on his life by a family settlement, together with certain income-yielding investments to trustees for his son and others, the premiums for the policies to be paid out of trust income as directed, the deceased was not keeping up the premiums himself, as he had already given away the money out of which they were to be kept up, and therefore the proceeds of the life policies in question did not fall to be aggregated for estate duty within s. 2 (1) (c) of the Finance Act, 1894, s. 32 of the Customs and Inland Revenue Act, 1881, and s. 11 (1) of the Customs and Inland Revenue Act, 1889.

In *Sim v. Sim*, on 28th July (*The Times*, 29th July), PILCHER, J., held that the High Court had jurisdiction to try a wife's petition for judicial separation on the ground of desertion for three years and upwards where the respondent was domiciled in Scotland at the time when the petition was presented but had been resident in England for some years.

Income Tax and Subscriptions to Charities.

It is well known that donations to charities by persons liable to income tax may be made to yield a higher amount to the charity by entering into a covenant to pay a definite subscription for seven years, or until the death of the donor, if earlier. Most charitable organisations have forms for this purpose. Where the donor pays tax at the standard rate of 10s. in the £, the net annual subscription income paid to the charity can be doubled at the present time with the standard rate of income tax at its existing level, at no extra cost to the donor. Thus, if the subscriber makes an actual net annual payment of £10, this represents a gross subscription of £20, because for every £1 paid another £1 can be reclaimed by the charity from the Inland Revenue authorities. There are a number of points which have to be watched in connection with covenanted subscriptions to charities in order to make the scheme watertight. Many of the forms issued by charitable organisations to prospective subscribers do not, in fact, contain reference to all the points that need to be taken into account. An article on some of these factors may be of value and interest.

The tax relief in respect of covenanted subscriptions to charities arises under s. 37 (1) (b) of the Income Tax Act, 1918, and s. 20 of the Finance Act, 1922, whereby the income of charities from any annual interest, annuities, etc., is exempt from tax. The only organisations which can take advantage of the special scheme of covenanted subscriptions are those which are recognised as charities for income tax purposes. These include (a) trusts for the relief of poverty, (b) trusts for the advancement of education, (c) trusts for the advancement of religion, and (d) trusts for other purposes beneficial to the community. There have been a considerable number of legal decisions in the courts on the question as to whether particular organisations are charities for income tax purposes.

Assuming that the organisation is, in fact, a recognised charity within the meaning of the Income Tax Acts, then it is possible for it to take advantage of the system of covenanted subscriptions. The donor covenants with the charity that for seven years from the date of the covenant or during his lifetime, whichever is the shorter period, he will pay to the charity such sum or sums yearly out of his taxed income as, after deduction of income tax at the standard rate in force for the relevant year, will leave the net annual amount of £ (amount to be stated in figures and words), such annuity to be applied for the objects of the said charity as he may nominate from time to time, or, failing such nomination, for the general purposes of the charity, the first total net annual payment to be reckoned as made on a specified date, which must be a date later than that on which the covenant is signed, and subsequent payments on the same date or dates in each year.

The covenant should be witnessed by an independent person, not a husband or wife. The reference to the amount of the subscription should be worded as indicated owing to the fact that the standard rate of income tax may vary during the seven years of the covenant.

The reason why the charity is able to secure repayment is that the grossed-up amount represents a charge on the subscriber's income and the amount received by the charity is for income tax purposes the gross sum. The subscriber should enter the gross amount in the heading "charges" on his annual return form. Thus, if he contributes £10 a year he should put £20 in the charges column and make it clear that this is the grossed amount. So long as the taxpayer is paying tax at the standard rate on at least £20 (apart from tax that has to be paid over to the Inland Revenue on other charges such as mortgage interest, ground rent), he is not called upon to pay any extra tax owing to the covenanted subscription. The effect in the example we have cited is, therefore, that the charity gets £10 from the donor plus £10 refund from the Inland Revenue without the donor's tax liability being altered in any way.

The Inland Revenue certificate on Form R.185 should be prepared by the charity and sent ready for signature by the subscriber each year. This form is returned to the charity and by means of it the charity is able to claim the tax due from the Inland Revenue. A stamp duty on the covenanted deed of 2s. 6d. per £100 (1s. 3d. per £50 up to £300) is payable and is calculated on the total actual net amount covenanted for over the whole seven years. Normally the charity will bear the stamp duty.

If a donor is chargeable to sur-tax, the system of covenanted subscriptions has the additional advantage that not only does the hospital receive substantial benefits, but also the donor himself lessens his tax liability, because the gross amount represented by the subscription is allowed as a deduction in computing the liability to sur-tax.

Literature issued by a charitable organisation in connection with covenanted subscriptions should make it clear that the scheme is only available for standard rate taxpayers. Many charities omit to do this. If a person who is chargeable to income tax at only the reduced rate of 6s. 6d. signs a covenant form, the position is that the gross amount of the subscription should be shown in the "charges" column of the return form and on this amount the taxpayer is liable at the standard rate. The effect

of this is that the donor renders himself liable to extra tax at 3s. 6d. in the £ on the amount of the subscription (the difference between the standard rate of 10s. and the reduced rate of 6s. 6d.). In the case of an exempt taxpayer, strictly, the position would be that the donor would have to pay tax at 10s. on the grossed-up amount of the subscription. The most satisfactory plan is to exclude reduced rate taxpayers or exempt persons entirely from these schemes of covenanted subscriptions, as otherwise there may later be difficulty when the donor finds that the result of signing the covenant is that he is, in fact, called upon to pay extra tax in consequence.

There are, of course, cases in which, after the covenant has been entered into, a donor who was previously a standard rate taxpayer becomes liable at only the reduced rate or may have even been exempt altogether. Such cases would not, of course, be frequent, as generally persons paying covenanted subscriptions to charities have fairly substantial means and would normally be liable each year on a considerable part of their income at the standard rate. Where, however, a person who has hitherto paid tax at the standard rate ceases to do so, and has undertaken to pay a charitable subscription by covenant, it is usually possible to reach some arrangement whereby he, as donor, is not called upon to pay extra tax. The most usual method appears to be for the charity to regard the covenant as terminated, or temporarily in abeyance, in these cases. The taxpayer may agree to pay the subscription as before, but it would not be a subscription under covenant which the charity could gross up and claim repayment upon. If the taxpayer has dropped from the standard rate to the reduced rate, there seems to be an informal arrangement in some areas whereby the charity is able to claim merely at the reduced rate and to gross up on this basis. By one means or another it is usually found possible in these cases to ensure that the full terms of the covenant are not rigorously enforced so that the donor is penalised.

There is one type of case in which, even though the taxpayer may pay tax on a sufficient amount of income at the standard rate to cover the grossed-up subscription, he may still be called upon to pay a little extra tax in consequence of the covenant. This arises where a donor has insufficient unearned income to cover the grossed-up subscription, so that part of it has to be set against earned income. This is, of course, not a usual type of case, as normally persons paying subscriptions under covenant have considerable unearned income. Where the subscription is paid wholly or partially out of earned income there is restriction of earned income relief. Thus, in a case where a taxpayer in receipt only of salary and with no unearned income covenants to pay £10 a year subscription to a charity, the grossed-up amount of £20 has to be covered against the earned income. This has the result of reducing the earned income relief by one-tenth of £20, equals £2. A donor is, however, not likely to complain about this, because it is only a very slight additional tax liability, and by coming under the covenant scheme he substantially increases the value of his subscription to the charity. It would be a rare case in which a benefactor would not gladly bear the slight extra tax in view of the great benefit to the charity of doubling the value of the actual subscription while the standard rate of tax remains at 10s. in the £.

A Conveyancer's Diary.

The Benefit of Restrictive Covenants.

THE expression "the law of restrictive covenants" is used, not always very accurately, to refer to the doctrines and rules under which the owner or occupier of a piece of land can be restrained, in consequence of a contract, from carrying on certain activities on his land. As between the original contracting parties no question of law arises outside those based on the ordinary law of contract. The peculiarity and interest of the law of restrictive covenants lie in the rules evolved for the enforcement of the contract by or against persons other than the original contracting parties. Under those rules one may very well find that a given piece of land is not, in practice, available for some purpose for which the general law would regard it as available. Private arrangements of this kind may very well cut across plans for reconstruction or development, and it appears certain that the profession will before long have to give very serious attention to the future of this branch of the law. I should therefore be very much interested to have any comments or suggestions on the subject which subscribers may care to send me for discussion in this column.

In the meantime, it may be convenient to refresh our memories of the existing situation. A large proportion of the practical questions which arose follow from building operations and there has been little call to consider them of late: while there were at least half a dozen reasonably important cases on the subject (as well as some smaller ones) in the five years before the war; I do not know of a single important one in the last five years.

If a plaintiff is to succeed in an action to enforce a restrictive covenant he has to prove three things. First, of course, that the activity to which he objects is in fact one forbidden by the covenant, if enforceable. There are a very large number of

reported cases on this question, but there is still room for much argument. Second, the plaintiff must show that the defendant is a person bound by the covenant. Third, the plaintiff himself must be a person entitled to the benefit of the covenant. The second and third points are completely distinct from one another, and it is desirable that the practitioner should consciously try to forget the one while he is considering the other. The tendency to confuse the two points has been accentuated because one sometimes refers loosely to "the rule in *Tulk v. Moxhay*" as if that expression connoted the whole law of restrictive covenants. Actually, *Tulk v. Moxhay*, 2 Ph. 774, was a case on the burden of such covenants: incidentally, it was a very early case, and the rules as to burden have developed greatly in the period of almost a century which has elapsed since it was decided. The position as to burden is now quite settled: if the defendant is the original covenantor he is, of course, bound. But if the defendant is only an assignee of the original covenantor, he is never bound at law: see *Austerberg v. Oldham Corporation*, 29 Ch. D. 750. Such a defendant is, however, bound in equity, under *Tulk v. Moxhay*, provided that the covenant is negative: see, for instance, *Haywood v. Brunswick Permanent Building Society*, 8 Q.B.D. 403. Because this obligation is equitable only, it is a valid defence if the defendant shows that he is, or claims under, a *bona fide* purchaser for value without notice, actual or constructive, of the existence of the covenant: see *Re Nisbet and Potts' Contract* [1905] 1 Ch. 391; [1906] Ch. 378. Further, except where the defendant is an original covenantor, he is not bound by a covenant unless it was taken for the benefit and protection of land (with one or two statutory exceptions): see *L.C.C. v. Allen* [1914] 3 K.B. 642. There had been some earlier cases in which covenants were enforced without reference to any protected land: but I do not see how they can stand with *L.C.C. v. Allen*, which was a decision of the Court of Appeal.

Assuming that the defendant is liable as against someone qualified to be plaintiff, one must then look at the plaintiff's title as such. The important cases in the years before the war dealt with this side of the question, which had been to a considerable extent forgotten in the nineteenth century, and not very fully appreciated until much more recently. The law on this point has now hardened, and in a high proportion of cases it is possible to dispose of the whole question by impeaching the plaintiff's title to be plaintiff. A defendant may be bound by the covenant, but may well at the same time be able to defeat the plaintiff: indeed, it is quite often possible to say that he would defeat any plaintiff.

If the plaintiff is the original covenantee his title is obvious. If he is an assignee of the land of the original covenantee he has three possible ways of showing title. The first way is to show that the benefit of the covenant is annexed to the land of which the plaintiff is assignee: see *Rogers v. Hosegood* [1900] 2 Ch. 388. At the present day there is only one safe way for the draftsman to annex the benefit of the covenant to the land, and that is to use words of annexation exactly as if the interest created were an easement. Thus, "the purchaser hereby covenants with the vendor to the intent that the benefit of this covenant may be annexed to and run with the land of the vendor coloured green on the plan drawn on these presents." The rule that an assignee of the dominant land takes the benefit of annexed covenants is a rule of law, not merely of equity, and it extends to positive covenants as well as to negative ones. Its origin, so far as now discoverable, seems to be *The Prior's* case, which is reported at 5 Co. Rep. 17, and was apparently heard in 1368. The prior covenanted to sing in a certain chapel, parcel of a manor, for the lords of the manor, and the successor in title to the original lord was held entitled to succeed in an action on the covenant on the ground that the benefit of it was annexed to the manor. Curiously enough, there were no words of annexation, and it would be doubtful at the present day whether a covenant in this form would be held to be effectively annexed to the dominant land at all. But the principle is clear. So far as annexation of the benefit is concerned, there is a sharp contrast with the rules as to burden. The latter are equitable only and apply only to restrictive covenants; annexation operates at law and can be made effective whether the covenant is positive or negative.

The second method of success open to the plaintiff is to show that he is the express assignee of the benefit of the covenant itself (as distinct from the land), that the covenant though not annexed to land was originally taken for the benefit of ascertainable land, and that the plaintiff has at least some of that land. These requirements more clearly set forth in *Re Union of London and Smith's Bank's Conveyance* [1933] Ch. 611. But it is extremely difficult to comply with them, and there are few cases where this doctrine is of any help to a plaintiff. Finally, the plaintiff can show that he is entitled under a "scheme of development." This expression is preferable to the more usual "building scheme," as the scheme need not necessarily be one under which premises are to be built. The rules for this class of case are set out with the utmost clarity in *Elliston v. Reacher* [1908] 2 Ch. 374, 665, and space does not permit a full discussion here on this occasion.

Such in very broad outline is the existing position. The drift of the cases before 1940 favoured the person who had the burdened land. In the last century the tendency had been to make him

THE
SOLICITORS' LAW STATIONERY SOCIETY
LIMITED

Important Announcement

"THE SOLICITORS' JOURNAL"
"RATING AND INCOME TAX"
PUBLISHING DEPARTMENT
GOVERNMENT SALES

NEW PREMISES

The Society's premises at 29/31 Breems Buildings, E.C.4 having been rendered uninhabitable by enemy action, the Editorial and Publishing Offices are being transferred to new offices and shop at 88/90 CHANCERY LANE, W.C.2, within one minute's walk of The Law Society's offices.

From this address "THE SOLICITORS' JOURNAL" and "RATING AND INCOME TAX" will be issued and law books supplied to the trade.

SOME DELAY

The Publishers regret the unavoidable delay in publication of "THE SOLICITORS' JOURNAL" and "RATING AND INCOME TAX" in recent weeks, but it is hoped to return to normal in the near future. The anticipated programme of forthcoming books is also affected, but it is still hoped to publish "THE CONVEYANCERS' YEAR BOOK, 1944," during August.

GOVERNMENT SALES

The Society have acquired from Messrs. Wyman & Sons, Ltd., the GOVERNMENT SALES OFFICE, formerly situated at 109 Fetter Lane, E.C.4. From 8th August, 1944, the Government Sales Office will be open at 88A CHANCERY LANE, W.C.2, and the acquisition will make an important addition to the Society's service to the legal profession, local authorities, etc. The staff of the Government Sales Office are being retained, and their many years' experience will be at the service of the Society's customers, both new and old.

The Telephone Number remains
HOLBORN 1403

THE
SOLICITORS' LAW STATIONERY SOCIETY
LIMITED

88-90 CHANCERY LANE, W.C.2

*A Message of
importance to
Solicitors & Executors*

When liquidating an estate to-day, the advisability of selling Old Gold & Jewellery articles and placing the proceeds in War Savings should receive your serious consideration. Such articles turned into cash and so invested play a vital part in winning the war. Solicitors & Trustees can also play their part by advising their clients to sell their Old Gold and Jewellery etc. whilst the price is high.

WE ARE
LICENSED
VALUERS
FOR PROBATE
AND WE ARE
PLEASED TO
UNDERTAKE
THIS SERVICE

*Cash or
Offer by
return*

We pay **HIGHEST PRICES** for
**OLD GOLD, DIAMONDS,
JEWELLERY OF ALL KINDS,**
PEARLS, PRECIOUS STONES, COINS, MODERN &
ANTIQUE SILVER, PLATE ETC.
Send by registered post.

BRAVINGTONS LTD.

Established over a Hundred Years

Chief Branch **KINGS CROSS, N.1.**, Phone: Terminus 3131
75 FLEET STREET, E.C.4 • 189 BROMPTON RD, S.W.3
22 ORCHARD STREET, W.1 • 6 GRAND BLDGS STRAND, W.C.2
(FACING TRAFALGAR SQUARE)

BANKERS:- WESTMINSTER BANK LTD. KINGS CROSS, N.1



*Wherever
HE is..*

SSFA

looks after his family

Over 59,000 cases have
been handled since 1941
concerning family troubles
of men serving overseas

**THE SOLDIERS' SAILORS' & AIRMEN'S
FAMILIES ASSOCIATION**

247 REGENT STREET, LONDON, W.1.

Phone: REGENT 3618

FOUNDED 1885

Please mention "THE SOLICITORS' JOURNAL" when replying to Advertisements.

liable if he had notice that the covenant existed, without too close inquiry into the plaintiff's title to the benefit of the covenant. That was no longer the case by 1939, and it was becoming comparatively easy to obtain an order of the Chancery Division, under s. 84 (2) of the Law of Property Act, declaring that no person was in a position to enforce a given set of covenants. But, obviously, a huge number of such covenants are valid and enforceable, and their future is a matter for consideration.

Landlord and Tenant Notebook.

Disclaimable Tenements: Consequential Directions.

I DISCUSSED in last week's "Notebook" (88 SOL. J. 260) the decision in *Re Fitzhardinge's Lease; Mackenzie v. Samuel Estates, Ltd.*, in so far as it was held in that case that it was possible to make an order under s. 15 (4). The manner in which the jurisdiction was exercised calls for further discussion and the consideration of further facts.

To obtain an order, the tenant must satisfy the court that it is equitable to allow him to exercise the right of disclaimer or retention as respects one or more of the separate tenements. And if the order is granted, not only must the tenant be authorised to serve notices accordingly, but a number of consequential directions and orders must or may be made. These concern, first of all, rent.

On the question whether it was equitable to make the order sought, the most important consideration would be, I think, the fact that the applicant had, as recently as 1931, laid out £1,450 in converting the coachhouse and buildings, which she now wished to retain, into two flats and a garage. When holding that the condition had been satisfied, Uthwatt, J., was content to refer to "the relevant facts," but did say that "equitable" had no technical meaning, but meant only fair, citing an observation made in *Westminster Bank, Ltd. v. Edwards* [1942] A.C. 529. The main point decided by that case was that whether a lease was or was not a "multiple lease" was a question of fact, but it was suggested that if the particular lease fell within the definition the county court judge, who had so found and who had authorised disclaimer of part, had had no evidence to support the finding that this was "equitable." This led to the observation (made by Lord Simon) applied by Uthwatt, J. As a matter of interest, other statutes which authorise modifications of leases generally use the expression "just and equitable" (e.g., the Factories Act, 1937, s. 147, the London Building Acts (Amendment) Act, 1939, s. 107): this may be due to the fact that they or those they replace were drafted when the fusion of law and equity was more recent an event.

But the apportionment of the rent was rather less simple a matter. The comprising lease, granted in 1889 as a reversionary lease to run from 1908 to 1951, had been so granted in consideration of a premium of £1,500 and reserved a yearly rent of £140. Till 1932 the whole property was rated as one. In 1931, as mentioned, conversion of the buildings at the rear had cost £1,450. The net yield from the flats and garage was £230 a year. The event which rendered the house unfit but left the flats and garage almost unscathed occurred in 1941. Separate assessments were made in 1942, the result, taking net rateable values only, being £297 for the house, while the total of those for the flats and garage was £126.

Evidence was adduced by the tenant to the effect that the ground values were 2s. 6d. a foot in the case of the site of the house, giving a total of £360, and 1s. a foot in the case of the flats and garage, making £60. It was argued that the apportionment should be made by reference to the ratio between those figures.

Uthwatt, J., made three negative statements: he would not, having regard to the date of the rating assessment, rely on the figures it showed; he did not accept the contention that the relationship between ground values should guide him; and he did not, indeed, accept the valuation (all valuations at this time must be open to question). It will be seen that if the rating valuation had been accepted, the result would have been in the neighbourhood of £100 for the large residence, leaving some £40 for the flats and garage. If that of the expert valuer had been applied, £120 would have been allotted to the one, £20 to the other. The conclusion reached by the learned judge was that £95 and £45 would be the proper apportionment, so that the valuation list figures may be said to reflect the position more accurately.

His lordship made this "consequential direction" after rejecting the tenant's contentions as stated above, and after "viewing the matter as a whole," but did not mention any positive factors. The subsection merely tells the court to give such consequential directions as to the apportionment of the rent and otherwise "as it thinks just" so that the language is substantially the same, on this point, as that of s. 12 (3) of the Increase of Rent, etc. (Restrictions) Act, 1920, s. 12: "the county court may . . . make such apportionment as seems just." I think that those words have only once been judicially interpreted—as far as reported cases are concerned, that is—namely, in *Bainbridge v. Congdon* [1925] 2 K.B. 261, in which it was held that payments for gas, water and telephone made by the landlord

must be ignored: "as seems just" did not imply that a fair rent was to be assessed, but meant that a fair division must be made of a sum to be paid as a whole. The following passage from the judgment of Salter, J., would, I submit, be equally appropriate in a case under the Landlord and Tenant (War Damage) Act, 1939, s. 15 (4) (b): "Acting justly meant having regard to the size of the rooms, the access to them, the quietness of the neighbourhood, and the use of the garden." Of course, it must be borne in mind that these "physical advantages," as Greer, J., called them (in the same case), do not necessarily correspond; in Rent Act cases size is often not merely a, but the, important factor; in such a case as *Re Fitzhardinge's Lease; Mackenzie v. Samuel Estates, Ltd.*, regard may well be had to the fact that large residences are now less easy to let than mews flats, though in 1889, when the lease was granted, no one would have expected this. The position discussed in *Portman v. Latta* (1942), 86 SOL. J. 119 (and see *ib.*, p. 193), when the effect of this development on the value of the reversion for the purposes of L.T.A., 1927 s. 18 (1), had to be examined, illustrates this point.

Section 15 (4) (b), after providing for apportionment of rent, goes on "and otherwise . . . including directions as respects any sub-lease comprising a disclaimable tenement and a tenement which is not disclaimable." Apparently there was no occasion to modify any of the sub-tenancies (one of which was within the Increase of Rent, etc., Restrictions Acts), but the learned judge directed that, in general, the covenants and conditions contained in the lease were to apply to the two properties respectively; subject to further directions that no right of way was to be implied in favour of either property over the other, and the mews property was to have no right to light over the large residence or over any other property of the landlords (it may be arguable whether this last direction is covered by the words of the paragraph); but there was to be implied in the lease of the larger property a right of light over the smaller. Under para. (e) the tenant was then given four weeks in which to comply with the notice to elect, her existing notice of disclaimer being set aside under (d). The landlords were empowered, under (f), to enter upon the yard of the mews property for the purpose of doing any building or other work (the paragraph says "doing work on the land," a wide expression) on the site of the larger property if this were disclaimed, any damage done to the yard to be made good with due expedition; and in the event mentioned, the covenant for quiet enjoyment was not to extend to works done in pursuance of that power or work of rebuilding on the site of the larger property.

Our County Court Letter.

Maintenance of Fence.

IN *Collier v. Bramwell* (Higginson, third party), at Stafford County Court, the claim was for specific performance of a covenant to erect and for ever after maintain a substantial cattle-proof fence on land sold by the plaintiff to the defendant, and by him to the third party. The covenant was contained in a conveyance dated 20th July, 1934, and the present case was brought as a test action. Houses had been since erected on the land, and cattle had strayed into the gardens. The third party's case was that on 13th October, 1943, cattle had strayed into his garden, and he had claimed 30s. as compensation from the farmer. He had kept the fence in order in compliance with the covenant, and it was untrue (as alleged) that the centre posts were rotten. After a view, His Honour Judge Finnmore held that the fence was not cattle-proof. All it required, however, was two square posts in the middle. The action could not be described as a test case, as each case must depend on the condition of the fence to the individual house. Judgment was given for the plaintiff against the defendant, and for the defendant against the third party, with costs.

Warranty of Bull.

IN *Powell v. Simcock*, at Bromyard County Court, the claim was for £64 15s., i.e., £49 as the price of a Friesian bull sold to the defendant and eighteen weeks' keep at 17s. 6d. per week after the bull had been returned to the plaintiff. The counter-claim was for £28, i.e., twenty-eight weeks' keep at £1 per week, and £300, being the loss in respect of the non-service of thirty heifers at £10 per time. The plaintiff's case was that the bull had been calved in September, 1941; that it was very domesticated and could be led on a halter. While in the plaintiff's possession, the bull had served six heifers, five of whom were in calf. The sixth heifer never would breed. It was untrue, as alleged by the defendant, that the bull was savage. The defendant's case was that the bull was not of the age stipulated, and was a "non-server." It was not quiet, but was savage, and it had been necessary to use pikes and sticks to drive it back into its box. His Honour Judge Roope Reeve, K.C., was not satisfied that any warranty had been given with the bull. The defence and counter-claim, therefore, failed, and judgment was given for the plaintiff for £64 15s., with costs on Scale C.

Landlord's Covenant to Repair.

IN *Bradbury v. Elliott*, at Daventry County Court, the claim was for £6 10s. as arrears of rent. The plaintiff's case was that

LAW FIRE

INSURANCE SOCIETY LIMITED

No. 114, Chancery Lane, London, W.C.2.

FIRE ACCIDENT BONDS

Directors :

Chairman—

GEORGE EDWARD HUNTER FELL, Esq. (Carleton-Holmes & Co.).

Vice-Chairman—

EDMUND TREVOR LLOYD WILLIAMS, Esq., J.P.

LANCELOT CLAUDE BULLOCK, Esq. (Markby, Stewart & Wadesons),
ROLAND CLIVE WALLACE BURN, Esq., C.V.O.
PHILIP HUGH CHILDS, Esq., J.P. (Bramsdon & Childs),
GUY HARGREAVES CHOLMELEY, Esq. (Frere, Cholmeley & Co.),
GEOFFREY ABDY COLLINS, Esq. (Peake & Co.),
GEOFFERY COODE-ADAMS, Esq. (Williams & James),
HARRY MITTON CROOKENDEN, Esq. (formerly of Francis & Crookenden),
CHARLES JOSEPH EASTWOOD, Esq., J.P. (W. Banks & Co.),
JOHN CHARLES BLAGDON GAMLEN, Esq. (Morrell, Peel & Gamlen),
JOHN BERESFORD HEATON, Esq. (Rider, Heaton, Meredith & Mills),
PHILIP GWYNNE JAMES, Esq. (Gwynne James & Sons),
CHARLES HENRY MAY, Esq. (May, May & Deacon),
FREDERICK STUART MORGAN, Esq. (formerly of Saxton & Morgan),
CHARLES CECIL AMPHLETT MORTON, Esq. (Ivens, Morton & Greville-Smith),
HENRY JOHN NIX, Esq. (formerly of Raymond-Barker, Nix & Co.),
EDWARD HUGH LEE ROWCLIFFE, Esq. (Gregory, Rowcliffe & Co.),
WILLIAM LEWIS SHEPHERD, Esq. (Nicholson, Freeland & Shepherd),
GEORGE ERNEST SHRIMPTON, Esq. (Radcliffes & Co.),
GEORGE LAWRENCE STEWART, Esq. (Lee & Pembertons),
RALPH PERCEVAL TATHAM, Esq. (Church, Adams, Tatham & Co.),
RT. HON. LORD TERRINGTON (Dawson & Co.),
CECIL DUNSTAN WEBB, Esq. (Farrer & Co.),
CHARLES SPOTTISWOODE WEIR, Esq. (A. F. & R. W. Tweedie),
HERBERT MEADOWS FRITH WHITE, Esq. (Foyer, White & Prescott).

*Solicitors—*MARKBY, STEWART & WADESONS.

DR. BARNARDO'S HOMES



Topsy?—well, almost; certainly her little world was topsy-turvy before she came into the care of Dr. Barnardo's Homes, but all her worries, little and big, will gradually be smoothed away as they have been for 131,000 other boys and girls. Please give this National Work for destitute children your hearty support. 8,000 children now being cared for.

LEGACIES earnestly asked for.

Cheques payable "Dr. Barnardo's Homes" and crossed "Barclays Bank, Ltd., a/c Dr. Barnardo's Homes," should be sent to Head Offices
STEPNEY CAUSEWAY, LONDON, E.1.

Telephone: Stepney Green 3400 (General Secretary's Office).

THE LARGEST CHILDREN'S CHARITY

LEGACIES

TO HELP THOSE WHO SERVE AND SUFFER IN OUR WARS

The need of ex-service men of all Ranks, including the disabled, and their dependants, and the care of those left behind by those who fall in action are an ever present and increasing charge on the Legion. Its work, the greatest of its kind in the world, is mainly dependent upon the sale of Poppies—a slender support for a work that must go on indefinitely.

Every year since the inception of the Fund the expenditure has **increased**. Now, with a new war, and another generation of ex-service men to care for, the Legion must look forward to **doubled calls** on its resources.

It is vitally necessary that the Legion's power for doing good should be strengthened and fortified by means of

LEGACIES and BEQUESTS

EARL HAIG'S BRITISH LEGION APPEAL FUND

Full particulars and Forms of Bequest can be obtained from
the Organising Secretary,

Capt. W. G. Willcox, M.B.E.,
Cardigan House, Richmond, Surrey.

Founded in 1897 to Commemorate Queen Victoria's Diamond Jubilee



Incorporated by King Edward's Hospital Fund for London Act, 1907

KING EDWARDS' HOSPITAL FUND FOR LONDON

Patron: HIS MAJESTY THE KING
President: H.R.H. THE DUKE OF GLOUCESTER
Hon. Treasurer: SIR EDWARD PEACOCK
Hon. Secretaries: SIR HAROLD WERNHER, SIR ERNEST POOLEY
SIR HUGH LETT, Bt.

THE grants which subscriptions, donations and legacies to the King's Fund enable it to make to the London Voluntary Hospitals are specially important to them in their present difficulties. They are treating civil patients, and are also co-operating in the Government Scheme for casualty beds. The King's Fund helps them with their ordinary work by its grants which are based on the circumstances and needs of each hospital.

Subscriptions should be sent to
KING EDWARD'S HOSPITAL FUND FOR LONDON
Box 465a, 10, Old Jewry, London, E.C.2.

THE SOCIETY OF INCORPORATED ACCOUNTANTS AND AUDITORS

President - RICHARD A. WITTY, F.S.A.A.
Vice-President - FRED WOOLLEY, J.P., F.S.A.A.
Secretary - A. A. GARRETT, M.B.E., M.A.
Deputy Secretary L. T. LITTLE, B.Sc. (Econ.)

The designation "Incorporated Accountant" is restricted to members of the Society, of whom there are approximately 7,900, and who are of two classes—Fellows, who use the initials F.S.S.A., and Associates, who use the initials A.S.A.A.

The Incorporated Accountants' Year Book contains full information in regard to the Society, including the names of Incorporated Accountants and of firms and the addresses at which they carry on public practice.

The Large Hall and Council Chamber at Incorporated Accountants' Hall, which is near to Temple Station, may be used for Company and similar meetings.

Enquiries regarding the letting of the Hall and the Year Book should be addressed to:

THE SECRETARY,
INCORPORATED ACCOUNTANTS' HALL,
VICTORIA EMBANKMENT,
LONDON, W.C.2

the house had been let to the defendant in 1927, at a rent of £13 per annum and rates. Notice to quit had been given in March, 1943, and in October, 1943, a fresh agreement was made for the payment by the defendant of 10s. per week, the plaintiff undertaking certain repairs. Material and labour had not been available, however, and the defendant had not paid the rent for the quarter ending Lady Day, 1944. The defendant's case was that £6 10s. per quarter was in excess of the standard rent, and he was, therefore, not liable for that amount. Moreover, the plaintiff had failed to carry out his part of the bargain, and the defendant was accordingly entitled to withhold the rent. His Honour Judge Forbes observed that the latter proposition (although possibly reasonable to the layman) was untenable in law. The standard rent of the house was £26 per year. This might seem high for the premises in question, but was due to the history of the case. Judgment was given for the plaintiff for the amount claimed, with costs.

Decision under the Workmen's Compensation Acts. **Fibrositis after Accident.**

In *Kirkham v. Davies*, at Shrewsbury County Court, the applicant was a wagoner, aged twenty-seven. On the 24th December, 1942, the applicant had been lifting sacks, weighing two cwt. each, on to a dray. He had felt a pain in the back, which had been diagnosed as fibrositis. He had been paid full compensation to the 14th September, 1943, and had since endeavoured to maintain his wife and two children on his wife's earnings and his sick pay. The respondent's case was that the applicant was now only partially incapacitated. His Honour Judge Samuel, K.C., held that the applicant's present earning capacity was £2 per week. An award was made as for total incapacity to the 10th October, 1943. Thereafter an award was made as for partial incapacity at 10s. per week, with costs.

Incapacity from Silicosis.

In *Austin v. Grimwades, Ltd.*, at Stoke-on-Trent County Court, an award was claimed on the basis of partial incapacity. The applicant was aged forty-five, and had worked all his life in pottery processes. For the last ten years he had been employed by the respondents as a potters' plate maker, and his pre-accident wage was £6 8s. 5d. per week. On the 10th April, 1944, he was certified as suffering from silicosis and was suspended by the Medical Board from all work in the pottery processes or industry. The applicant was unemployed until the 27th June, when he obtained work with the Ministry of Supply. This involved moving articles weighing 25 lb., and his average weekly earnings were £2 17s. 9d., not on full time. The respondents' case was that the Medical Board had certified the applicant as fit for "moderately heavy work." He had immediately been offered work by the respondents as a glazed ware carrier. This was outside the scheduled processes, and the applicant was entitled to take up such work. It involved carrying trays of ware, weighing 25 lb., i.e., the same weight as he was now carrying for the Ministry. This offer of work was still open, and the pay would be £4 a week for forty-seven hours. The applicant's earning capacity was therefore more than £2 a week, as alleged in his claim. His Honour Judge Finemore observed that the issue was whether the applicant's refusal to work with the respondents was reasonable. He wanted to leave the pottery trade and, although his objection might be mainly psychological, he was right in his refusal to accept other work with the respondents. The applicant was now employed in an atmosphere wholly free from silica dust. An award was made on the basis of an earning capacity of £1 a week from the 10th April to the 27th June, 1944, and thereafter on the basis of £3 a week, with costs on Scale B.

In *Pointon v. Grimwades, Ltd.*, at the same court, an award was claimed on the basis of partial incapacity. The applicant was aged sixty-three, and had been a potter's caster for twenty-two years. On the 10th April, 1944, he was certified as suffering from silicosis, and fit only for light work. His earning capacity was 15s. per week, but he had failed to obtain a position as collector of club subscriptions (for which there had been a vacancy) at that rate of pay. The respondents' case was that, although they had no light work to offer, the applicant's earning capacity (in the present abnormal state of the labour market) was £2 a week. His Honour Judge Finemore held that the earning capacity was merely nominal, viz., 10s. a week. Leave to amend the claim to that figure was given. An award was made accordingly, with costs on scale B.

Books Received.

Sutton and Shannon on Contracts. By RALPH SUTTON, M.A., K.C., and N. P. SHANNON, of Gray's Inn, Barrister-at-Law. 1944. pp. lxxi, 427 and (Index) 26. London: Butterworth and Co. (Publishers), Ltd. 15s. net.

Rayden's Practice and Law in the Divorce Division. Second (Cumulative) Supplement to Fourth Edition. By F. C. OTTWAY of the Probate and Divorce Registry. 1944. pp. xi and 112. London: Butterworth & Co. (Publishers), Ltd. 10s. 6d. net.

To-day and Yesterday.

LEGAL CALENDAR.

July 31.—On the 31st July, 1807, Martha Alden was hanged at Norwich for the murder of her husband, Samuel Alden, an agricultural labourer, in their cottage at Attleborough. He was last seen alive when he returned from the "White Horse" one Saturday night "rather fresh but sober enough to walk, staggering a little." At nearly three o'clock next morning a passer-by was surprised to see Martha standing near her door, but she said she was drawing water in the garden. On the Monday evening she borrowed a spade from a neighbour under pretence that a sow had rooted up her potatoes. In fact she wanted it to dig a grave for her husband, whom she had slaughtered with a bill-hook. Later that night, however, she removed the body from the hole and dragged it to a water-filled pit on the neighbouring common. There on the Wednesday morning it was found floating half submerged. After her conviction she confessed her crime.

August 1.—Dionysius Lardner was a well-known figure in the scientific-literary world of the mid-nineteenth century. Irish and versatile, he was as erratic as he was brilliant. Logic, metaphysics, ethics, mathematics and physics all fell within his sphere. He was educated for the law; he took holy orders; he lectured on the steam engine; he occupied the chair of natural philosophy and astronomy at London University; he edited the *Cabinet Cyclopaedia*; he knew all about steamships and railways. In the midst of all this, when he was over forty-five years old, he found time to elope with Mary Heaviside, the attractive wife of a cavalry officer. The husband's action for damages, heard at Lewes Assizes on the 1st August, 1840, before Mr. Baron Gurney, was the sensation of the year. The plaintiff obtained a verdict for £8,000. When Lardner's own wife, from whom he had been twenty years separated, had divorced him and Mary's husband had divorced her, the pair married.

August 2.—Captain William Moir was of Scottish extraction, descended from Robert Bruce, connected with the Stewarts and the Butes, and first cousin to Sir William Rae, then Lord Advocate. He was still in his middle thirties when he left the army, having served with the infantry in France, Spain and America, and took Shellhaven Farm near Stanford-le-Hope in Essex. There he was much troubled by trespassers, fishermen who brought their boats to Shellhaven Creek and in less than six months he was involved in a fatal quarrel with a man named Malcolm, at whom, after an exchange of angry words, he discharged a pistol, breaking his arm. Lockjaw supervened and the wound proved fatal. At the Chelmsford Assizes the Captain was tried for murder and convicted, and at nine in the morning on the 2nd August, 1830, he was hanged, declaring to the last that he was at peace with all mankind and never had any intention of killing Malcolm.

August 3.—Eugene Aram, schoolmaster and self-taught scholar, whose erudition, cultivated in the libraries of the gentlemen of his native Yorkshire, ranged over Latin, Greek, Hebrew, Arabic, Chaldee and Celtic, besides botany, heraldry, historic antiquities and some modern languages, was tried at York on the 3rd August, 1759, for a sordid murder committed fourteen years before, the killing of Daniel Clarke, a shoemaker of Knaresborough, in order to rob him. The dead man's bones had been found in St. Robert's Cave near the town, and in his speech to the court Aram made brilliant use of his antiquarian knowledge. He cited several instances of bones found in ancient hermitages. He recalled how they had often lain for centuries unsuspected in hills, by highways or on commons. He called to mind the siege of Knaresborough Castle during the Civil War, when many fell about the neighbourhood. He begged the court not to "impute to the living what zeal in its fury may have done, what nature may have taken off and piety interred, or what war alone may have destroyed, alone deposited." Though his argument created a deep impression, he was found guilty, condemned and hanged.

August 4.—Miss Jemima Bishop kept a school establishment for young ladies at Appleby. Among the pupils was Miss Annie Ward, daughter of a gentleman of fortune residing at Gillhead and herself entitled to £10,000 in possession; she was only just twelve years old, but in self-assurance and appearance she seemed much more. As music master Miss Bishop employed a young man of twenty-three named John Atkinson, the organist at the parish church, but having noticed that there had sprung up between him and Annie a greater familiarity than she deemed proper, she intimated to him that his services were no longer required, though she would be happy to give him a recommendation. Later she discovered that Annie had managed to send him a locket and intervened to insist on its return, but one morning about a month later the girl was missing. She had slipped out in the night, joined her lover in a race to the Scottish Border and married him at Gretna Green. Their correspondence, carried on by means of a maid at the school, reveals the adventure as no ordinary abduction. Here is a note from Annie: "I received your lines and fully understand what they mean and I give my consent to all your proposals. It is a great comfort to me to think that at last I have got your heart a little my way." Again: "Your note gave me such pleasure this morning that I could not

take my breakfast. I am so glad you have given up that formal name by which you used to call me." Finally: "You have no idea of the joy with which I received your letter. You asked me to say one word. I think it will be 'Yes,' and you asked me to fix the day and way of escape. I shall say next Thursday week." Then she suggested a plan. John was tried at the Appleby Assizes on the 4th August, 1854, found guilty of abduction and condemned to nine months' imprisonment. One cannot help hoping that the pair lived happily ever after.

August 5.—On the 5th August, 1762, a court martial was held "on board the *Neptune* to inquire into the conduct of Captain Symonds, whose sentence was to lose the command of his ship the *Albany*. This gentleman was lately employed in an expedition against the French flat-bottomed boats at Caen." (This was during the Seven Years' War.)

August 6.—On the 6th August, 1762, a clergyman, convicted at the assizes of an unnatural offence, stood on the pillory in the market-place at Lincoln. He "was treated by the populace with great severity, though before this offence happened he was greatly esteemed by all his neighbours."

BREVITY ON THE BENCH.

In connection with the ninetieth birthday of Sir William Francis Kyffin Taylor, K.C., Judge of the Liverpool Court of Passage, a newspaper claimed that he had once delivered the shortest summing-up on record; when both sides had been heard, he turned to the jury and said: "Well, gentlemen?" I certainly know of none shorter, but in point of brevity it was equalled by Commissioner Kerr's "How much?" after a long wrangle between counsel in a running down case. It was Kerr, trying a criminal case at the Old Bailey, who, having listened in silence to a long speech by a prisoner betraying a suspicious intimacy with the procedure and phraseology of the courts and concluding "and now, gentlemen, I have no more to add," turned to the jury and summed up in three words: "Nor have I." That was a condensation of a summing-up attributed to more recent judges: "Gentlemen, you have heard the prisoner. Consider your verdict." It was Mr. Baron Bramwell who gave brevity a fresh turn, when, having been told that a certain witness was not being called, gave a low, prolonged whistle and said: "Gentlemen, consider your verdict." One county court judge is alleged to have summed up a case: "Gentlemen of the jury, you have now heard the evidence of two liars. Which one are you going to believe?" Mr. Baron Martin on one occasion was equally short: "Gentlemen of the jury, you have heard the evidence and the speeches of the learned counsel. If you believe the old woman in red you will find the prisoner guilty, if you do not believe her, you will find him not guilty."

Points in Practice.

Questions from solicitors who are REGISTERED ANNUAL SUBSCRIBERS are answered, without charge, on the understanding that neither the Proprietors nor the Editor, nor any member of the staff, are responsible for the correctness of the replies given or for any steps taken in consequence thereof. All questions must be typewritten (in duplicate), addressed to the Editorial Department, 29-31, Breams Buildings, E.C.4, and contain the name and address of the subscriber, and a stamped addressed envelope.

Receiver for Mortgagee—Accounts.

Q. In 1922, A mortgaged to B the freehold cottage and lands called Brownacre (valued then at about £700) to secure a loan of £500. On default by A in payment of the mortgage interest, B, in 1934, appointed R as receiver of the rents and profits. In 1943, B contracted to sell the property by private treaty to K for £450, which, in spite of the general rise in land values, was approximately what the property was then worth. The personal representatives of A (who died in 1936) are satisfied that the property was sold at a fair price, but they consider that B should render to them an account of his receipts and payments in respect of the property up to the date of the appointment of the receiver, and that R should similarly render an account of his receipts and payments thereafter till the date of the conveyance of the property. Are the personal representatives of A by law entitled to demand such accounts?

A. "If a rent collector, or commercial traveller, or any other agent or trustee has received moneys on behalf of the plaintiff, he is what is called 'an accounting party'; that is, he is bound within a reasonable time after demand to render an account of all moneys received by him." The above is a quotation from "Odgers on Pleading and Practice." As the receiver is agent for the mortgagor (L.P.A., s. 109 (2)), the mortgagor, or the latter's personal representatives, are entitled to an account; so also is the mortgagee (*Leicester Permanent Building Society v. Butt* [1943] Ch. 308). If a mortgagee takes possession personally, he is liable to account. If A's representatives bring an action for account, as they can do, they of course run the risk of a claim against A's estate for any deficiency on the mortgage.

Private Chapel attached to a Church—ASSURANCE TO CHURCH AUTHORITIES.

Q. The owner of an estate has died recently. Included in the estate is a private chapel attached to the parish church. This chapel the personal representatives of the deceased have offered

to give to the vicar and churchwardens, for whom we act. We should be glad of advice as to what form the conveyance should take, and, if possible, give reference to a precedent. It may be that the rights to the chapel are annexed to the ownership of the estate, in which case could a purchaser of the estate set aside the proposed voluntary conveyance at some future date and claim the chapel?

A. We strongly advise our subscribers to get into touch with the Diocesan Office, where they will certainly find willing and able assistance in this unusual matter. It seems probable that the attachment of the private chapel rested on a faculty of which some record may still exist in the Diocesan Office. We express the opinion that the personal representatives, as such, have not the power to make a gift of the chapel and the site thereof, and that this could only be done by or with the concurrence of the person now beneficially interested. We have not been able to trace a suitable precedent, but would suggest a deed made between the person beneficially interested of the first part, the personal representatives of the second part, and "the person, persons or corporation sole or aggregate in whom or in which the said parish church and the site thereof are now vested" of the third part, whereby the chapel and the site thereof and the appurtenances thereunto belonging are assured to the party of the third part "in fee simple or for such less estate (if any) as was the entire interest therein of the deceased at the said date of his death," to be held by the said party of the third part "upon such trusts and with and subject to such powers and provisions upon with and subject to which the same ought now to be held if the said chapel and the site thereof had originally and continuously formed part and parcel of the said parish church and the site thereof, but nevertheless upon condition that henceforth the said party of the third part shall relieve the said party of the first part and his estate at — and his successors in title to that estate from such obligations if any as now subsist for the repair and maintenance of the said chapel." The provisions of the Mortmain and Charitable Uses Act, 1888 (as amended by s. 29 of the Settled Land Act, 1925) must be observed.

Settled Land—APPOINTMENT OF NEW TRUSTEES—NO DEED OF DECLARATION—SALE—MONEY PAID TO CORRECT PERSONS AS TRUSTEES OF THE SETTLEMENT—ADVERSE EFFECT (IF ANY) OF THE ABSENCE OF THE DEED OF DECLARATION.

Q. Under s. 35 of the Settled Land Act, 1925, a deed of declaration as to the Settled Land Act trustees has to be made on the appointment or retirement of trustees. What is the legal effect of the absence of such a deed? Does its absence affect the title to the settled land in the hands of a purchaser who has paid the purchase money to the persons who were in fact the trustees of the settled land at the time of the sale?

A. So far as we are aware, there is no penalty or adverse effect for or arising from a failure to execute a deed of declaration. In our opinion, provided the money was paid to the proper persons (as was the case) the title is in no way injuriously affected.

Contract for Sale—UNAVOIDABLE DELAY.

Q. The following position has arisen in this office with regard to a contract for sale and purchase of two freehold houses. The vendors are husband and wife as joint tenants. The husband is a flying officer in the R.A.F., and the same day that I forwarded the conveyance to him for execution (a few days before completion date) he was reported missing from operations over enemy territory. The sale price is £1,160 and there is a mortgage by the vendors of £700 to be repaid out of the purchase money. The purchaser paid a deposit and is ready to complete. It may be months before any definite news is received of the missing vendor and the purchaser's solicitor states that as his client is ready to complete, the balance of the purchase money should be placed in a bank in the joint names of vendors and purchaser (which is, in ordinary circumstances, the proper course) pending a proper conveyance being given. The practical objection to this is that the wife would cease to have the rents of the houses out of which to pay the mortgage interest and the balance of the purchase money would be producing no income. It cannot be used to repay the mortgage until the conveyance is completed. I have suggested that the purchaser should agree to the date for completion being postponed six months, but he does not seem inclined to agree to this. Similar cases must be occurring constantly in the present state of war, and I was wondering what course might be taken to avoid undue hardship to the wife.

A. If the contract incorporates either The Law Society's Conditions, the National Conditions of Sale, or the Statutory Conditions of Sale of 1925, it would seem that the purchaser can insist on his right to deposit the money and so escape liability for interest. It is considered, however, that in the special circumstances the purchaser might reasonably meet the vendors by taking an assignment from the mortgagee of the mortgage and paying the balance of purchase money only into the bank. This would not prejudice the purchaser, and would relieve the lady vendor.

Mr. E. L. Feibusch, solicitor, of Wolverhampton, left £77,727, with net personalty £61,910.

==
We
uld
be
he
he
im

th
nd
at
ch
ess
ot
nd
he
to
de
he
on,
he
he
he
of
as
of
on
ms
ld
n-
nd
th
he
at
air
he
of

ED
AS
OF

of
de
al
he
id
es

et
n.
er
ly

rd
he
is
ed
on
y
y
y.
y
g
is
be
er
g
is
ut
ne
be
d.
or
m
g
at

's
y
n
y
al
rs
ge
k.
ne

et

Obituary.

Mr. J. D. PEEL.

Mr. John Douglas Peel, solicitor, of Messrs. Morrell, Peel and Gamlen, solicitors, of Oxford, died on Saturday, 15th July, aged seventy-three. He was admitted in 1898.

Mr. R. A. ROTHERHAM.

Mr. Richard Alexander Rotherham, solicitor, of Messrs. R. A. Rotherham & Co., solicitors, of Coventry, died on Friday, 14th July, aged eighty. He was admitted in 1888.

Mr. W. TOTTLE.

Mr. Walter Tottle, solicitor, of Sheffield, died on Saturday, 22nd July, aged seventy-five. He was admitted in 1897.

Parliamentary News.

HOUSE OF LORDS.

- Agriculture (Misc. Provs.) Bill [H.C.] [26th July.
- Read Third Time.
- Chesterfield and Bolsover Water Bill [H.C.] [25th July.
- Read Third Time.
- Diplomatic Privileges (Extension) Bill [H.L.] [25th July.
- Reported without amendment.
- Food and Drugs (Milk and Dairies) Bill [H.C.] [25th July.
- Reported without amendment.
- Herring Industry Bill [H.C.] [25th July.
- Read Second Time.
- Housing (Temporary Provisions) Bill [H.C.] [25th July.
- Read First Time.
- Isle of Man (Customs) Bill [H.C.] [25th July.
- Read Third Time.
- Liabilities (War-Time) Adjustment Bill [H.L.] [25th July.
- A Bill to provide for the adjustment and settlement of debts and liabilities arising in certain areas and to amend the Liabilities (War-Time Adjustment) Act, 1941. [25th July.
- Read First Time.

HOUSE OF COMMONS.

- Consolidated Fund (Appropriation) Bill [H.C.] [25th July.
- A Bill to apply certain sums out of the Consolidated Fund to the service of the years ending on the 31st March, 1943 and 1945, and to appropriate the supplies granted in this Session of Parliament.
- Read First Time.
- Validation of War-Time Leases Bill [H.L.] [25th July.
- Read Second Time.

QUESTIONS TO MINISTERS.

SMALLHOLDERS: WAR DAMAGE COMPENSATION.

Sir A. KNOX asked the Financial Secretary to the Treasury to what extent a smallholder can obtain compensation for damage to his holding on account of enemy action.

Mr. DALTON: I have been asked to reply. A smallholder can obtain full compensation for war damage to his equipment, crops and livestock by insurance under the Business Scheme (Farming) of the War Damage Act. If the total value of these goods does not exceed £100 they can be treated as if they were insurable under the Private Chattels Scheme, and the free cover afforded under that scheme would apply. Compensation for damage to land or buildings falls under Pt. I of the War Damage Act.

[25th July.

PREVENTION OF FRAUD (INVESTMENTS) ACT, 1939.

As announced by the President of the Board of Trade in the House of Commons on the 25th July, it has been decided that the "appointed day" under the Prevention of Fraud (Investments) Act, 1939, shall be the 8th August. This means that on that day the Act comes into full operation.

On or after that date it will be an offence for any person to carry on the business of dealing in securities, or to circularise in regard to securities unless he (a) holds a principal's licence under the Act, or (b) is a member of a stock exchange or an association of dealers in securities declared by the Board of Trade to be a recognised stock exchange or association under s. 14, or (c) holds an exemption from the Board of Trade under s. 15, or (d) is a manager of a unit trust scheme declared to be an authorised unit trust scheme under s. 16 of the Act. The restrictions in question also do not apply to the Bank of England, statutory or municipal corporations, industrial and provident societies or building societies.

A person whose business in securities consists in effecting transactions through the agency of any of the persons specified in para. 2 is not affected by the restrictions imposed by the Act so long as he does not hold himself out to be a dealer in securities either by so describing himself (e.g., on his letter paper) or issuing his own contract notes as a principal.

Enquiries in regard to the Act should be addressed to the Assistant Secretary, Insurance & Companies Department, Board of Trade, 22, Sloane Gardens, London, S.W.1.

Wills and Bequests.

Mr. J. L. Marriott, solicitor, of Alderley Edge, Cheshire, left £11,640, with net personality £8,885.

Mr. Arthur Pickles, solicitor, of Rotherham, left £33,567, with net personality £21,043.

Mr. H. E. Smale, solicitor, of Macclesfield, left £5,235, with net personality £1,750.

Notes of Cases.

COURT OF APPEAL.

Safford v. Safford.

Lord Greene, M.R., and MacKinnon and Luxmoore, L.JJ. 26th May, 1944.
Divorce—Insanity—Continuously under care and treatment—Detained—Detention a matter of status—Whether interrupted by periods of absence on leave—Supreme Court of Judicature (Consolidation) Act, 1925 (15 & 16 Geo. 5, c. 49), s. 176; Matrimonial Causes Act, 1937 (1 Edw. 8 & 1 Geo. 6, c. 57), ss. 2 and 3.

Petitioner's appeal from a judgment of the President of the Probate, Divorce and Admiralty Division refusing a decree nisi of divorce.

The petitioner had alleged that the respondent was incurably of unsound mind and had been continuously under care and treatment for a period of at least five years immediately preceding the presentation of the petition, that being a ground for divorce under s. 176 of the Judicature Act, 1925, as amended by s. 2 of the Matrimonial Causes Act, 1937. By s. 3 of the 1937 Act a person of unsound mind is to be deemed to be under care and treatment (a) while he is detained in pursuance of any order or inquisition under the Lunacy and Mental Treatment Acts, 1890 to 1930, and not otherwise. A reception order into the East Riding Mental Hospital at Beverley was made on 7th December, 1934, in relation to the respondent, who remained in that hospital down to the date of the petition, save for certain absences, nineteen of which, amounting in all to forty-three nights, were on the occasion of leaves of absence granted under s. 275 (5) of the Lunacy Act, 1890. Five of these were for three successive nights and fourteen were for two successive nights, all spent at the house of the respondent's father. The other absences were absences on trial under s. 55 (1) of the Lunacy Act, 1890, granted by two hospital visitors on the written advice of the medical superintendent. One was in 1942, for two weeks and a day, and the other later in 1942 for six weeks and three days. On each occasion the respondent was under the control of his father, who reported to the medical superintendent periodically in accordance with a promise. Owing to his condition the father returned the respondent on the second occasion before his period of leave expired. The learned President held that the periods of absence in 1942 were interruptions which prevented the detentions from continuing for the statutory period.

LORD GREENE, M.R., examined s. 55 of the Lunacy Act, 1890, and said that it seemed to him that the absences therein provided were treated by the Legislature not as an interruption of the care and treatment with which Pt. II of the Act dealt, but as part of the care and treatment. It followed that they ought not to be regarded as interruptions of the detention, which was a matter of status. This was confirmed by a consideration of ss. 116 (1), 38 (2), 76 (1) and 56 of the Lunacy Act, 1890. The absences under s. 275 (5) could properly be regarded in the same light, as part of the treatment of patients. In using the word "detained," Parliament must have had in mind the provisions of the Lunacy Act, 1890. His lordship examined *Shipman v. Shipman* [1939] P. 147, and *Green v. Green* [1939] P. 309, the former of which he said was wrongly decided, and the latter rightly decided, but for wrong reasons. He appreciated the point to which the learned President attached importance, namely, that there was no limit under the Act to the length of time for which leave of absence might be granted, but if it was thought that the conclusion to which he (Lord Greene) had come opened the door too widely, it was for the Legislature to adjust the opening. The appeal must be allowed, and a decree nisi granted.

MACKINNON and LUXMOORE, L.JJ., agreed.

COUNSEL: D. Tolstoy; Holroyd Pearce and J. G. T. Comyn.

SOLICITORS: Redpath, Marshall & Holdsworth, for Shackles, Dunkerly and Barton, Hull.

[Reported by MAURICE SHARE, Esq., Barrister-at-Law.]

CHANCERY DIVISION.

The Reliance Permanent Building Society v. Harwood-Stamper.

Vaisey, J. 7th June, 1944.

Building society—Mortgage—Sale by society as mortgagees—Duties of society—Law of Property Act, 1925 (15 Geo. 5, c. 20), ss. 101, 106 (3)—Building Societies Act, 1939 (2 & 3 Geo. 6, c. 55), s. 10.

Witness action.

The Building Societies Act, 1939, s. 10, provides: "Where any freehold or leasehold estate has been mortgaged to a society as security for an advance, it shall be the duty of any person entitled by virtue of the mortgage to exercise any power, whether statutory or express, to sell the estate, to take reasonable care in exercising that power to ensure that the price at which the estate is sold is the best price which can reasonably be obtained; and any agreement, if and in so far as it relieves, or may have the effect of relieving, a society or any other person from the obligation imposed by this section, shall be void."

By a mortgage dated 22nd October, 1935, the defendant mortgaged a freehold dwelling-house to the plaintiff building society. The society went into possession of the property on the 23rd May, 1940. At that date the property was in a poor state of repair. On 2nd December, 1942, when the principal and interest due under the mortgage was £1,203 4s. 7d., the society, in exercise of their power of sale, sold the property for £700. In this action the society sought to recover from the defendant, the sum of £503 4s. 7d., being the balance of the moneys due under the mortgage. The defendant counter-claimed for £1,100, alleging that the real value of the property was £1,800 and that the society had been guilty of breach of duty in failing to get the best price for the property and relied on s. 10 of the Act of 1939.

VAISEY, J., said that it was necessary to consider, first, the measure of liability of a mortgagee exercising a power of sale apart from the provisions of s. 10; secondly, what was the measure of liability of an ordinary fiduciary vendor; leading to the third question, which was whether a building society mortgagee was by reason of s. 10 under the former measure of liability or the latter or under some other and what measure of liability of a novel description. First, as to the measure of liability of a mortgagee selling the mortgaged property under the general law. In his judgment the law was stated with complete accuracy in "Coote on Mortgages" (9th ed., p. 927) as follows: "The only obligation incumbent on a mortgagee selling under a power of sale in his mortgage is that he should act in good faith. Whether selling under an express or statutory power, he may generally conduct the sale in such manner as he may think most conducive to his own benefit, unless the deed contains any restrictions as to the mode of exercising the power, provided he acts *bona fide* and observes reasonable precautions to obtain a proper price." The price there mentioned was a proper price and not the best price (*Farrar v. Farrars, Ltd.*, 40 Ch. D. 395; *Belton & Bass, Ratcliffe & Gretton, Ltd.* [1922] 2 Ch. 449). That being the position of a mortgagee exercising his power of sale, he would contrast the position of the ordinary fiduciary vendor. Such a vendor must think of himself not at all. He was acting for the benefit of others. He must use due diligence in the manner of the sale, and, taking the example of the limited owner selling under the Settled Land Act, 1925, it was his duty to obtain the best consideration in money or money's worth (*Grove v. Search* (1906), 22 T.L.R. 290). He had come to the conclusion that the obligation which lay on building society mortgages was that of the ordinary fiduciary vendor, subject to three qualifications: first, the society had perfect liberty to sell when it thought proper without being under any obligation after that to nurse the property; secondly, the society had open to it the various methods of sale indicated in s. 101 of the Law of Property Act, 1925; and thirdly, the society was entitled to the benefit of the protection extended to mortgagees by s. 106 (3) of the Act of 1925. The onus lay on the defendant in this particular case, who was attacking the propriety of the sale. He had come to the conclusion that the society had just fulfilled its obligations. There was considerable evidence that the property was worth more than £700, treating it as a lock-up investment, but that was not really relevant if he were right in holding a building society, no less than any other mortgagee, was entitled to realise its security. He was not entirely satisfied with the way in which the society had dealt with the matter. There should have been proper documents to show how they were endeavouring to carry out their duties under s. 10. A building society must be prepared, when challenged by a mortgagor, to show exact particulars of the care which had been taken to ensure that the price which had been obtained was a price upon which no advance was available at the moment. Judgment for the plaintiffs. No order on the counter-claim.

COUNSEL: Charles Harman, K.C., and R. T. Monier-Williams; C. B. Guthrie.

SOLICITORS: Shaen, Roscoe & Co.; Beardall, Fenton & Co.

[Reported by Miss B. A. BICKNELL, Barrister-at-Law.]

KING'S BENCH DIVISION.

James Macara, Ltd. v. Barclay.

Vaisey, J. (sitting as an additional Judge of the King's Bench Division).
19th May, 1944.

Vendor and purchaser—Sale of land—Requisition before notice of rescission—Right of purchaser to return of deposit—Law of Property Act, 1925 (15 Geo. 5, c. 20), s. 49 (2). Action.

By an agreement dated 16th April, 1943, the defendant agreed to sell to the plaintiffs a house and land in Oxfordshire for £15,500 and the plaintiffs paid a deposit of £1,550. Completion was fixed for the 24th June. The agreement incorporated a condition that, if the purchasers should neglect or fail to complete the purchase, the deposit should be forfeited to the vendor unless the court should otherwise direct. On the 10th June the Ministry of Works served on the vendor a notice of requisition in respect of the property. The vendor on the 18th June sent a copy of that notice to the purchasers' solicitors. The purchasers' solicitors then wrote on 21st June rescinding the agreement. The purchasers brought this action for the return of their deposit. On 26th July the notice of requisition was withdrawn.

VAISEY, J., having found as a fact that neither the vendor nor the purchasers wished to carry out the contract, said the condition incorporated in the contract providing for the forfeiture of the deposit (unless the court should otherwise direct) was a reference to s. 49 (2) of the Law of Property Act, 1925, which read as follows: "Where the court refuses to grant specific performance of a contract, or in any action for the return of a deposit, the court may, if it thinks fit, order the repayment of any deposit." He took the view that his jurisdiction arose from and was limited by the terms of that statutory provision. The primary purpose of the provision was to remove the difficulty which stood in the way of a purchaser, who, though in a position to resist specific performance in equity, was at law precluded from recovering his deposit (*In re National and Provincial Bank, Ltd. and Marsh* [1895] 1 Ch. 190). While the court might order the return of the whole of the deposit, it was not in terms authorised to order the return of less than the whole. In some cases it might be just and fair that the deposit should be shared between the parties; in others, that the purchaser should recover the amount less expenses reasonably incurred by the vendor. It was argued that the purchasers had no right to rescind on the 21st June. That proposition was based on Bennett, J.'s decision in *In re Winslow Hall Estate Company and United Glass Bottle Manufacturers, Ltd.*, Contract [1941] Ch. 503. In *Cook v. Taylor* [1942] Ch. 349 Simonds, J., as he then was, had decided the contrary, distinguishing

Bennett, J.'s decision. He himself felt some doubt whether Bennett, J., was right. He thought, however, on the facts that the plaintiff had put himself in the wrong prior to such notice, and the notice had in fact had no bearing in the matter. He would give judgment for the plaintiff for the amount claimed.

COUNSEL: Devlin; John Morris, K.C., and Pascoe Hayward.

SOLICITORS: Clifford-Turner & Co.; Simmonds & James, Church, Rackham & Co.

[Reported by Miss B. A. BICKNELL, Barrister-at-Law.]

Notes and News.

Honours and Appointments.

Mr. JOSEPH E. BLOW, Deputy Clerk to the Kesteven (Lincolnshire) County Council, has been appointed Clerk in succession to Mr. G. H. Banwell, who has been appointed secretary of the Association of Municipal Corporations. Mr. Blow was admitted in 1930.

Miss B. V. ENTWISTLE has been appointed Deputy Town Clerk of St. Albans. She has been assistant solicitor since 1939, and was admitted in 1938.

Mr. R. G. LICKFOLD, Chief Assistant Solicitor to the Lambeth Metropolitan Borough Council, has been appointed Deputy Town Clerk of Bromley, Kent. Mr. Lickfold was admitted in 1940.

Mr. HAROLD LEONARD SAUNDERS, has been appointed Comptroller-General of Patents, Designs, and Trade Marks in succession to Sir Frank Lindley, who is retiring from 31st August. Mr. Saunders was called by the Middle Temple in 1923.

Professional Announcement.

Mr. P. A. NEALE begs to announce he is no longer associated in any capacity with either P. A. Neale & Co. or P. A. Neale, Ltd., of 20, Bloomsbury Square, London, W.C.1; the businesses having been sold to Mr. PHINEAS HOROWITZ, known as Mr. PHINEAS HORWICH.

War Legislation.

STATUTORY RULES AND ORDERS, 1944.

- E.P. 796. **Admiralty Civil Police and Royal Marine Police Special Reserve** (Employment and Offence) Order, July 10.
- No. 812. **Alien.** The Aliens (Fire Arms, etc., Restriction) Order, July 12.
- No. 811. **Alien.** Landing and Embarkation Direction, July 11.
- No. 824. **Allied Powers** (Maritime Courts). France. Order in Council, June 29, applying s. 1 (2) of the Allied Powers (Maritime Courts) Act, 1941, to France.
- E.P. 800. **Consumer Rationing** (Consolidation) Order, July 17.
- E.P. 795. **Drugs** (Shortage). The Scarce Substances Order, July 5.
- E.P. 815. **Essential Work** (General Provisions) Order, July 13.
- E.P. 844. **Food.** Bacon (Rationing) Order, July 18.
- E.P. 738. **Food.** Labelling of Food Order, June 29.
- E.P. 848. **Food** (Points Rationing) Order, July 18.
- E.P. 845. **Food Rationing.** Fats, Cheese and Tea (Rationing) Order, July 18.
- E.P. 843. **Food Rationing** (General Provisions) Order, July 18.
- E.P. 849. **Food Rationing** (Personal Points) Order, July 18.
- E.P. 847. **Food Rationing.** Sugar and Preserves (Rationing) (No. 2) Order, July 18.
- E.P. 769. **Furniture** (Control of Manufacture and Supply) Order, July 17.
- No. 853. **Land Registration, Northern Ireland.** Rules, June 30, under s. 94 of Local Registration of Title (Ireland) Act, 1891, amending Order XII of the Orders and Rules dated July 18, 1936 (S.R. & O., 1936, No. 561).
- No. 840. **Post Office** (Execution of Documents) Warrant, July 17.
- No. 792. **Protected Area** (No. 10) (Amendment) Order, July 12.
- No. 793. **Protected Area** Order (No. 12) Revocation Order, July 12.
- No. 837. **Purchase Tax** Regulations, July 13.
- E.P. 767. **Sales by Auction and Tender** (Control) Order, July 14.
- No. 825/S.37. **Session, Court of Scotland.** Procedure. Act of Sederunt amending Rules of Court, July 13.
- E.P. 850. **Soap** (Licensing of Manufacturers and Rationing) Order, July 18.
- No. 781/L.34. **Solicitor, England.** Rules, June 9, made by the Council of The Law Society and approved by the Master of the Rolls under s. 1 of the Solicitors Act, 1933.
- No. 759. **Thames Conservancy** (Power to take, divert or impound Water) Order, June 24.
- No. 794. **Thames Conservancy** (Power to take, divert or impound Water) Amendment Order.
- E.P. 799. **Unemployment Insurance** (Emergency Powers) (Amendment) Regulations, July 17.

STATIONERY OFFICE.

List of Statutory Rules and Orders, Jan. 1 to June 30, 1944.

BOARD OF TRADE.

Companies Act, 1929. Company Law Amendment Committee (Chairman, Cohen, J.). Minutes of Evidence. 18th Day. 12th May, 1944.

DRAFT STATUTORY RULES AND ORDERS, 1944.

Parliamentary Elections. Electoral Registration Regulations, July 20.
Pensions (Increase) Act (Extension) Order.

X